UNDP

UNITED NATIONS DEVELOPMENT PROGRAMME

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ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
UGANDA

IPF:(1987-91) $61 774 000

(UGA/87/009) - Assistance to External Trade Development

Date of approval by the AC:[1/]	8 May 1991
Expected duration:	Three years
Proposed executing agency:	UNCTAD
Government implementing agency:	Ministry of Commerce
Proposed UNDP contribution:	$1 345 000 Source of funds: IPF
Total UNDP budget:	$1 345 000

Project background

Export in Uganda declined from $333.7 million in 1987 to $272 million in 1988, of which 98 percent was on account of a single commodity, coffee. Of the foreign exchange received, 60 percent went to finance external debt and petroleum imports.

At present, Uganda has no coherent trade policy nor well- defined export market strategy. However, in the last three years several isolated steps have been taken to reduce some of the most acute policy-induced distortions in trade and exchange regimes after the implementation of several stabilization and trade liberalization efforts as part of the Economic Recovery Programme.

The Government is therefore committed to put in place a coherent trade policy in order to be able to utilize more effectively existing and potential productive capacities to support Government's policy of export diversification. It is intended to synchronize the trade policy with macroeconomic stabilization strategy to avoid undesirable distortions. However, the absence of reliable information in the external sector (as indeed in several other sectors) makes it difficult to measure the impact of the package of economic reforms on the sector. This project (already approved under a preparatory assistance phase), as part of a package of four related projects under implementation in the sector is expected to fill this gap and to address other critical institutional weaknesses in the sector, ranging from policy to export promotion and procurement techniques.

[1/] This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

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Description of project

The principal objectives of the project are to: (a) develop a capacity within the Ministry of Commerce to formulate and implement coherent trade policies; and (b) strengthen the Ministry's operational capacity in the field of trade facilitation, particularly with regard to countertrade management, simplification and harmonization of international standards of all trade documentation.

These objectives will allow the Ministry to discharge fully its prescribed policy-making and operational functions, through the development both of analytical capacity and of procedures and documentation which meet international norms.

Inputs

UNDP will provide a trade policy adviser (24 man-months); consultants on trade facilitation (eight man-months), countertrade (eight man-months) and trade statistics (12 man-months); administrative support (secretary, driver); mission costs for evaluation mission in 1992; a UNV trade statistician (24 man-months); an in-service training programme for staff in the Ministry of Commerce plus group training; and office and computer equipment and subcontracts for computer services.

Financial data

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Personnel	966 000
Subcontract	41 000
Training	80 000
Equipment	209 000
Miscellaneous	49 000
Total	1 345 000

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